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Rick Campbell 11:48AM LEAS
Stark County Recorder T20100041636

OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 9 day of December,
2010 by and between; **Cindy R. Swaggard (single) and Mary K Sklodowski (single)**
6765 Hudson Road, Kent, Ohio, 44240. Phone: [REDACTED]
hereinafter called the Lessor, and **D&L Energy, Inc., 2761 Salt Springs Rd.,**
Youngstown, Ohio 44509, hereinafter called the Lessee,

WITNESSETH:

1. That the Lessor, for and in consideration of one dollar (\$1.00) and other valuable consideration in hand paid by the Lessee, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, does hereby lease and let exclusively unto the Lessee, for the purpose of drilling, operation for, producing and removing oil and gas and all the constituents thereof, and of injecting air, gas, brine and other substances from any source and into any subsurface strata, other than potable water strata and workable coal strata, (including but not limited to the right to inject any wells on the leasehold property and to otherwise conduct all such secondary or tertiary operations as may be required in the opinion of the Lessee,) and to transport by pipelines or otherwise across and through said lands oil, gas and their constituents from the subject and other lands, regardless of the source of such gas or the location of the wells, which right to transport gas from other lands across the leasehold premises shall survive the term of this lease for so long as the transportation of such gas may be desired by the Lessee, and of placing of tanks, equipment, roads and structures thereon to procure and operate for the said products, together with the right to enter into and upon the leased premises at all time for the aforesaid purposes, being all that certain tract of land situated in **Paris City/Township, Stark County, Commonwealth/State of Ohio**, being District, Map, Parcel:, **4103730** containing **66.40** acres, more or less and bounded now or formerly by lands of:

North by lands of: **Becher/Snyder**

East by lands of: **Becher/Miller**

South by lands of: **Betz/Sparks**

West by lands of: **Hawkins/ Ramser/Snyder**

Section 2:

Township: 17

Range: 7

2. This lease shall continue in force and the rights granted hereunder be quietly enjoyed by the Lessee for a term of **two (2) years** and so much longer thereafter as oil or gas or their constituents are produced or are capable of being produced on the premises in paying quantities, in the judgment of the Lessee, or as the premises shall be operated by the Lessee in the search for oil and gas and as provided in Paragraph 7 following.

3. This lease, however, shall become null and void and all rights of either party hereunder shall cease and terminate unless, within 12 months from the date hereof, a well shall be commenced on the premises, or unless the Lessee shall thereafter pay a delay rental of **One Dollar (\$1.00)** each year, payments to be made annually until the commencement of a well. A well shall be deemed commenced when preparations for drilling have been commenced. This lease shall not terminate for nonpayment of delay rentals unless the Lessor first gives Lessee thirty (30) days written notice by certified mail of such nonpayment, and Lessee fails to tender such payment to Lessor within said thirty (30) day period.

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4. In consideration of the premises the Lessee covenants and agrees:

(A) To deliver to the credit of the Lessor in tanks or pipelines, as royalty, free of cost, the equal one-eighth (1/8) part of all oil produced and saved from the premises, or at Lessee's option to pay Lessor the market price for such one-eighth (1/8) royalty oil at the published rate for oil of like grade and gravity prevailing on the date such oil is run into tanks or pipelines.

(B) To pay to the Lessor, as royalty for the gas marketed and used off the premises and produced from each well drilled thereon, the sum of one-eighth (1/8) of the price paid to Lessee per thousand cubic feet of such gas so marketed and used, measured in accordance with Boyle's Law for the measurement of gas at varying pressures, on the basis of 10 ounces above 14.73 pounds atmospheric pressure, at a standard base temperature of 60° Fahrenheit and stipulated flowing temperature of 60° Fahrenheit, without allowance for temperature and barometric variations less any charges for transportation or compression paid by Lessee to deliver the gas for sale. Payment or royalty for gas marketed during any calendar month to be on or about the 30th day after receipt of such funds by the Lessee.

(C) Lessee to deduct from payments in (A) and (B) above from receipts of proceeds by Lessee, Lessor's prorata share of any tax imposed by any government body.

5. All money due under this lease shall be paid or tendered to the Lessor by check made payable to the order of and mailed to **Same as above** at **Same as above** and the said named person shall continue as Lessor's agent to receive any and all sums payable under this lease regardless of changes in ownership in the premises, or in the oil or gas or their constituents, or in the rentals or royalties accruing hereunder until delivery to the Lessee of notice of change of ownership as hereinafter provided.

6. In the event a well drilled hereunder is a dry hole and is plugged according to law, this lease shall become null and void and all rights of either party hereunder shall cease and terminate, unless within (12) months from the date of the completion of the plugging of such well, the Lessee shall commence another well, or unless the Lessee after the termination of said twelve month period resumes the payment of delay rental as hereinabove provided.

7. In the event a well drilled hereunder is a producing well and the Lessee is unable to market the production therefrom, or should production cease from a producing well drilled on the premises, or should the Lessee desire to shut in producing wells, the Lessee agrees to pay the Lessor, commencing on the date one year from the completion of such producing well or the cessation of production, or the shutting in of producing wells, an advance royalty in the amount and under the terms hereinabove provided for delay rental until production is marketed and sold off the premises or such well is plugged and abandoned according to law. In the event no delay rentals are stated, the advance royalty payable hereunder shall be made on the basis of \$1.00 per acre per year.

8. The consideration, land rentals or royalties paid and to be paid, as herein provided, are and will be accepted by the Lessor as adequate and full consideration for all the rights herein granted to the Lessee, and the further right of drilling or not drilling on the leased premises, whether to offset producing wells on adjacent or adjoining lands or otherwise, as the Lessee may elect.

9. The Lessor hereby grants to the Lessee the right at any time to consolidate the leased premises or any part thereof or strata therein with other lands to form an oil and gas development unit of not more than 640 acres, or such larger unit as may be required by state law or regulation for the purpose of drilling a well thereon, but the Lessee shall in no event be required to drill more than one well on such unit. Any well drilled on said development unit whether or not located on the leased premises, shall nevertheless be deemed to be located upon the leased premises within the meaning and for the provisions and covenants of this lease to the same effect as if all the lands comprising said unit were described in and subject to this lease; provided, however, that only the owner of the lands on which such well is located may take gas for use in one dwelling house on such owner's lands in accordance with the provisions of this lease, and provided further that the Lessor agrees to accept, in lieu of the one-eighth (1/8) oil and gas royalty hereinbefore provided, that proportion of such one-eighth (1/8) royalty which the acreage consolidated bears to the total number of acres comprising said development unit. The Lessee shall effect such consolidation by executing a declaration of consolidation with the same formality as this oil and gas lease setting forth the leases or portions thereof consolidated, the royalty distribution and recording the same in the recorder's office at the courthouse in the county in which the leased premises are located and by mailing a copy thereof to the Lessor at the address hereinabove set forth unless the Lessee is furnished with another address. If the well on said development unit shall thereafter be shut in, the well rental or shut-in royalty hereinbefore provided for such use shall be payable to the owners of the parcels of land comprising said unit in the proportion that the acreage of each parcel bears to the entire acreage consolidated. Lessee shall have the right to amend, alter or correct any such consolidation at any time in the same manner as herein provided.



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10. In case the Lessor owns a less interest in the above described premises than the entire and undivided fee simple therein, then the royalties and rentals herein provided for shall be paid to the Lessor only in the proportion which such interest bears to the whole and undivided fee. If said land is owned by two or more parties, or the ownership of any interest therein should hereafter be transferred by sale, devise or operation of law, said land, nevertheless, may be held, developed and operated as an entirety, and the rentals and royalties shall be divided among and paid to such several owners in the proportion that the acreage owned by each such owner bears to the entire leased acreage.

11. No change of ownership in the leased premises or in the rentals or royalties hereunder shall be binding on the Lessee until after notice to the Lessee by delivery of notice in writing duly signed by the parties to the instrument of conveyance or assignment and delivery of a duly certified copy thereof to the Lessee.

12. The Lessee shall have the right to assign and transfer the within lease in whole or in part, and Lessor waives notice of any assignment or transfer of the within lease. Failure of payment of rental or royalty on any part of this lease shall not void this lease as to any other part. Lessor agrees that when and if the within lease is assigned; the Lessee herein shall have no further obligations hereunder. The Lessor further grants to the Lessee, for the protection of the Lessee's interest hereunder, the right to pay and satisfy and claim or lien against the Lessor's interest in the premises as herein leased and thereupon to become subrogated to the rights of such claimant or lien holder, and the right to direct payment of all rentals and royalties to apply on the payment of any existing liens on the premises.

13. The Lessee shall bury, when so requested by the Lessor, all pipelines used to conduct oil and gas to, on, through and off the premises and pay all damages to growing crops caused by operations under this lease. Lessee agrees to restore the premises in accordance with state laws. Any damages if not mutually agreed upon, to be ascertained and determined by three disinterested persons, one thereof to be appointed by the Lessor, one by the Lessee, and the third by the two so appointed, and the award of such three persons shall be final and conclusive and binding on all parties. Each party shall pay the cost of their appraiser and shall share the cost of the third appraiser. Arbitration shall be mandatory.

14. The Lessee shall have the privilege of using sufficient oil, gas and water for operating on the premises and the right at any time during or after the expiration of this lease to remove all pipe, well casing, machinery, equipment or fixtures placed on the premises. The Lessee shall have the right to surrender this lease or any portion thereof by written notice to the Lessor describing the portion which it elects to surrender, or by returning the lease to the Lessor with the endorsement of surrender thereof, or by recording the surrender or partial surrender of this lease any of which shall be a full and legal surrender of this lease as to all of the premises or such portion thereof as the surrender shall indicate and a cancellation of all liabilities under the same of each and all parties hereto relating in any way to the portion of all the premises indicated on said surrender, and the land rental hereinbefore set forth shall be reduced in proportion to the acreage surrendered.

15. In the event the Lessee is unable to perform any of the acts to be performed by the Lessee by reason of force majeure, including but not limited to acts of God, strikes, riots, and governmental restrictions including but not limited to restrictions on the use of roads, this lease shall nevertheless remain in full force and effect until the Lessee can perform said act or acts and in no event shall the within lease expire for a period of ninety days after the termination of any force majeure.

16. In the event Lessor considers that Lessee has not complied with any of its obligations hereunder either express or implied. Lessor shall notify Lessee in writing setting out specifically in what respects Lessee has breached this contract. Lessee shall then have thirty (30) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of thirty (30) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any part of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder.

17. In consideration of the acceptance of this lease by the Lessee, the Lessor agrees for himself and his heirs, successors and assigns that no other lease for the minerals covered by this lease shall be granted by the Lessor during the term of this lease or any extension or renewal thereof granted to the Lessee herein.



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18. All covenants and conditions between the parties hereto shall extend to their heirs, personal representatives, successors and assigns, and the Lessor hereby warrants and agrees to defend the title to the lands herein described. It is mutually agreed that this instrument contains and expresses all of the agreements and understandings of the parties in regard to the subject matter thereof, and no implied covenant, agreement or obligation shall be read into this agreement or imposed upon the parties or either of them. Lessor further agrees to sign such additional documents as may be reasonably requested by Lessee to perfect Lessee's title to the oil and gas leased herein and such other documents relating to the sale of production as may be required by Lessee or others.

19. *See addendum attached hereto*

IN WITNESS WHEREOF the Lessors have hereunto set their hand(s),

Signed and acknowledged

in the presence of

Signature(s) of Lessor

Cindy R. Swaggard

Mary K. Sklodowski

STATE OF OHIO :

:SS:

INDIVIDUAL

COUNTY OF PORTAGE :

Before me a Notary Public in and for said county and state personally appeared the above named Cindy R. Swaggard and Mary K. Sklodowski who acknowledged to me that they did execute the foregoing instrument and that the same is their free act and deed for the purpose therein set forth.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal this 9 day of December, 2010.

Notary Public

David E. Williams

Notary Public for State of Ohio

My commission has no expiration date.

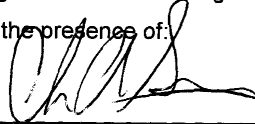
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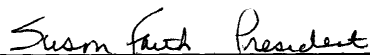
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Signed and Acknowledged

In the presence of:



D&L Energy, Inc.

 President

Susan Faith, President

STATE OF OHIO :

:SS:

COUNTY OF MAHONING :

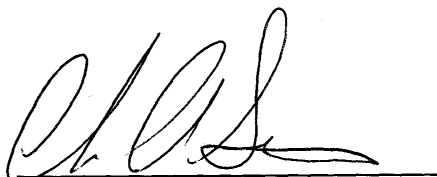
CORPORATION

Before me, the undersigned Notary Public in and for the above County and State, personally appeared Susan Faith, who after first being duly sworn according to law, acknowledged before me that she is the President of D&L Energy, Inc., and that she did execute the foregoing instrument in such capacity and that the same was her free act and deed individually and as such officer and authorized agent, and the free and corporate act and deed of said D&L Energy, Inc., for the uses therein contained.

In Testimony Whereof, I have hereunto set my hand and affixed my official this 16 day of November, 2010.



Christopher A. Scenna
My Commission Expires
July 19, 2015



Notary Public

This instrument prepared by:
D&L Energy, Inc.
2761 Salt Springs Road
Youngstown, OH 44509

ADDENDUM TO OIL AND GAS LEASE

This instrument is an Addendum to an Oil and Gas Lease Agreement between Cindy R. Swaggard (single) and Mary K. Sklodowski (single), whose address is 6765 Hudson Road, Kent, Ohio, 444240 ("Lessor"), and D&L Energy, Inc., an Ohio Corporation, of 2761 Salt Springs Rd, Youngstown, OH 44509 ("Lessee"), dated December 9, 2010 concerning the premises located at 2109 Whitacre Avenue, N.E., Minerva, Ohio, 44657 ("Premises").

1. Map. Attached to this Addendum is an ariel map ("Map") showing the Premises and surrounding property. The Map is incorporated into this Addendum as if fully rewritten herein.

2. Well Head. There will be one oil and gas well on the Premises. The well head will be located approximately where shown on the Map. The well head facility shall occupy an area of no more than 8 feet x 8 feet. The well shall be constructed, maintained, operated, repaired, replaced and removed all at Lessee's cost. As soon as reasonably possible after the installation of the well is complete, the well head facility will be fenced and shall be surrounded by a three (3) foot high earthen berm except for the area needed for access. The top of the earthen berm shall be landscaped with evergreens to the extent necessary to prevent the well head facility from being seen from the existing home on the Premises. The Lessee shall be responsible, at its cost, to replace any evergreens so as to maintain the buffer.

3. Access Drive. One drive shall access the well head facility. The drive shall be located where indicated on the Map and shall be constructed and maintained at Lessee's cost. Lessor and its contractors and tenants shall have the right to utilize the access drive so long as such use does not interfere with Lessee's operations. Neither Lessor nor Lessee shall do, or cause anything to be done, that would inhibit access to and use of the drive by the other. A gate may be installed provided a key is given to Lessor.

4. Lessee's Pipeline. There shall only be one pipeline on the Premises from the well head to the tank battery serving the well. The location of the pipeline from the well head to the tank battery shall be where shown on the Map. The pipeline shall be constructed, installed, operated, maintained, repaired, replaced, and removed at Lessee's cost. After the pipeline is installed Lessor reserves the right to move the pipeline provided all costs associated with the relocation is paid for by Lessor and further provided the process of relocation the line does not interrupt the flow of oil or gas from the well.

5. Lessor's Pipeline. At the time of installing the Lessee's pipeline, Lessor shall install a line, regulators, and meters, at Lessor's cost, from the well head to the residence on the Premises as shown on the Map to provide gas to the residence. Installation of the line shall be in conformity with all applicable laws, rules, and regulations and the free gas line shall be one (1) inch in diameter of quality plastic that is industry standard for house gas. Maintenance of the line, meter, and regulators after installation is the responsibility of the Lessor. Lessor shall maintain the said pipeline, regulators and equipment in good repair and free of all gas leaks and operate the same so as not to cause waste or unnecessary leaks of gas. In the event that the Lessee takes any action that would interrupt the flow of gas to the residence, Lessee shall provide Lessor with at least thirty (30) days prior notice, except in the case of emergency in which case notice will be provided as promptly as reasonably possible under the circumstances. The line shall be installed so that a voluntary shut in of a well by Lessee shall not interrupt the flow of gas to the residence. Any additional lines to other buildings shall be at Lessor's expense. All lines installed by Lessee shall be not less than four (4) foot deep.

6. Free Gas. The first four hundred (400) MCF of gas taken each year by Lessor from the well shall be free of cost, but all gas in excess of four hundred (400) MCF of gas taken in each year shall be paid for at the last published rates of the gas utility in the town or area nearest to the Premises or the field market rate, whichever is higher. If the Lessor shall take excess gas as aforesaid in any year and fail to pay for the same, the Lessee may deduct payment for such excess gas from any rentals or royalties accruing to the Lessor hereunder. Lessor acknowledges that he has been advised as to the risks inherent in the taking of gas in this manner, and Lessor agrees to assume all such risks whether same be caused by Lessor's lines or equipment, or whether same be caused by Lessee's equipment or well operation; and Lessor agrees to hold Lessee and the well operator and all parties in interest in any well on the Premises harmless from any claims of any nature whatsoever which may rise by the usage of gas from any such well by Lessor, his heirs, executors, administrators and assigns.

7. Electric Lines. The only lines permitted to be placed on the Premises by Lessee are those necessary to operate the well. The lines and poles shall be located where shown on the Map. Lessee is responsible for all costs of installing, replacing, repairing, maintaining, operating and removing the lines and poles and for the cost of the electricity.

8. Permits and Licenses. Lessee is responsible, at Lessee's cost, to obtain and maintain any permits and licenses necessary for any activities conducted on the Premises by or for Lessee, its contractor or agents.

9. Tank Batteries. The tank batteries serving the well shall be located on adjacent property, not on the Premises, approximately where shown on the Map. The tank batteries will have a three (3) foot high earthen berm on the west side so as to prevent any spillage running onto the Premises. The tank batteries shall also be landscaped with evergreens along the west side so that the tanks are not visible from the Premises. The Lessee, at its cost, shall be responsible to replace any evergreens so as to maintain the buffer.

10. No other Facilities. No structures or facilities of any nature whatsoever other than those described herein will be placed on the Premises by Lessee.

11. Unitization. The Premises may be unitized with no more than an additional twenty-five (25) acres so as to create no more than one additional drilling site. All facilities with respect to the additional drilling site shall be located off of the Premises.

12. No Injection. Except as is necessary during the actual drilling process or as may be necessary for periodic maintenance of the well, no substance or material of any kind shall be injected into the well.

13. Compliance with Law. Lessee shall comply with all laws, rules and regulations applicable to the well, the Lessee's pipeline, the access drive, the tank batteries and the utility lines and Lessee's use, operation, maintenance, repair, replacement, and removal thereof. Lessee is responsible for the acts and omissions of its employees, contractors and agents.

14. Hold Harmless and Indemnity. Lessee shall indemnify, defend and hold Lessor harmless from any loss, expense, damage, claim or liability for the personal injury or death of any person and the damage to any property, including the Premises, caused by or arising out of (i) the well, Lessee's pipeline, the tank batteries, or the utility lines, and (ii) the acts or omissions of Lessee, its employees, contractors, agents and invitees, and (iii) the use of the Premises by Lessee, its employees, contractors, agents and invitees.

15. Damage to Crops. Lessee acknowledges that much of the Premises, including the portion where the well head, access drive, and Lessee's and Lessor's pipelines are to be installed, is being farmed by tenant of the Lessor. In the event any activities of Lessee damage any crops or prevent the planting of any crops on portions of the Premises, Lessee shall pay the tenant farmer for such damage and loss and shall indemnify, defend and hold Lessor harmless from any claim for such damage or loss.



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16. Installation, Removal and Restoration. When conducting any activities on the Premises, including installing, repairing, maintaining, replacing or removing the well, the access road, the Lessee's pipeline, Lessor's pipeline, the meters, regulators, and the electric lines, Lessee shall use all reasonable efforts to disturb as little of the surrounding area as reasonably possible. Under no circumstances is Lessee to discharge any material or place any material or by product from the installation of the well onto the Premises, except temporarily in pits lined so as to prohibit seepage onto the Premises. All fluids to be removed from premises and pits solidified and closed pursuant to state regulations. Lessee shall clean up and remove all construction debris, nothing is to be buried. As soon as practical Lessee shall, at Lessee's expense, restore the area disturbed by the Lessee's activities to as near to its condition before Lessee's activities as reasonably possible. No trees are to be damaged or removed under any circumstances. When the lease terminates or expires Lessee shall as soon as reasonably possible thereafter, but in no event more than ninety (90) days thereafter, cause the well and Lessee's and Lessor's pipelines, and the utility lines and poles to be removed, and the areas disturbed restored, all at Lessee's cost.

17. Lessee's Insurance. Lessee shall during the term of the Lease maintain, at Lessee's cost, comprehensive general liability insurance endorsed to include blanket contractual liability, broad form property damage, and bodily injury and death coverage of not less than \$1,000,000.00 per occurrence, and \$2,000,000.00 in the aggregate for personal injury and death and \$1,000,000.00 per occurrence and in the aggregate for damage or destruction of property. Lessee shall provide Lessor with a certificate evidencing the existence of such coverage at or before the execution of this Lease by Lessor and shall provide Lessor with certificate of renewal or replacement of such coverage not less than thirty (30) days prior to the expiration of any existing policy. Upon request, Lessee shall provide Lessor with a copy of the actual policy.

18. Royalties. Royalty payments shall be calculated on the actual payment amount received by Lessee from third party buyers of gas and oil. References to temperature and pressure in the Lease are deleted. All royalty payments due Lessor for oil and gas royalties are due and payable without notice or demand on the 15th day of each calendar month commencing with the calendar month following the calendar month in which the Lessee first receives payment from a third party for gas and or oil produced from the well on the Premises. No royalty payment needs to be made any month in which the royalty payment to be made is less than \$100.00. Lessee will provide Lessor, upon request, which shall not be made more than two (2) times in any calendar year, documentation including meter readings, delivery slips and receipts containing information sufficient for Lessor to confirm the royalty payments being made to Lessor are accurate. The documentation shall include the name, address, and telephone number of the contact person of third party buyers of gas and oil produced from the Premises during the period under review.

19. Delay Rental. In the even that a well is not drilled and operating within twelve (12) months of the effective date of the Lease, then in order to keep the Lease in effect, Lessee shall pay Lessor a delay rental of \$200.00 per month. Delay rental payments are due and payable without notice or demand on the 15th day of each calendar month commencing with the 13 calendar month following the effective date of the Lease. If a well is not drilled and operational within twenty-four (24) months of the effective date of the Lease, the Lease will automatically terminate.

20. Shut In Rental. In the event that a well is drilled and operational within the time periods permitted in paragraph nineteen (19) of this Addendum and thereafter production of gas or oil ceases, or Lessee is unable to market the oil and gas, or Lessee elects to "shut in" the well, ie to not sell oil or gas even though the well is capable of production and such condition exists for more than sixty (60) days, then in order to keep the lease in effect, Lessee shall pay Lessor a shut in rental which shall be the greater of \$200.00 per month or an amount equal to the total royalties paid to Lessor in the previous twelve (12) months divided by twelve (12). Shut in rental payments are due on the 15th day of each calendar month without notice or demand commencing with the 15th day of the first calendar month following the expiration of the sixty (60) day period and continuing until royalty payments begin again.

21. Notices. All notices under the terms of this Lease shall be in writing and shall be deemed delivered seven (7) business days after being sent by certified mail, return receipt requested, postage prepaid to the persons and addresses set forth at the beginning of this Addendum or to such other address as Lessor or Lessee may hereafter designate in writing, by Notice, as provided herein.

22. Assignment. Assignment of this Lease by Lessee, its successors or assigns, is not effective unless and until Lessor is notified of the assignment and proof of insurance as required in this Lease is provided by the Assignee. An assignment does not release the assignor from its obligations under this Lease for the period of time the assignor was the Lessee.

23. Default and Remedies. If Lessee violates the terms of this Lease and such violation continues for more than thirty (30) days after written notice from Lessor to Lessee identifying the violation, Lessor may at any time thereafter which such violation continues to exist declare this Lease to be in default. Upon default of this Lease, Lessor shall have all rights and remedies available at law and in equity, including the right to recover damages, to obtain temporary and injunctive orders, and to cause forfeiture of this Lease. All Lessor's rights and remedies are cumulative. The delay or failure of Lessor to declare any default, to send any Notice, or to enforce any right or remedy shall not affect Lessor's right to declare a default or invoke any right or remedy. In the event Lessor incurs any legal fees and/or court costs as a result of a default by Lessee, Lessee shall be responsible for and shall pay such fees and costs, and the amount of such fees and costs shall be added to and make part of any judgment or award in favor of Lessor.

24. Interest. Any amounts not paid to Lessor when due under the terms of the Lease or this Addendum shall bear interest at a rate of 10% annum from the due date until paid, including after judgment.

25. Conflict with Lease. In the event that the terms of this Addendum are inconsistent with, or conflict with, the terms of the Lease, the terms of this Addendum shall control.

26. Binding Effect. For the purposes of the Lease and this Addendum, the term Lessee includes all assignees of and successors to any interest of a Lessee under the Lease, and the term Lessor includes all assignees of and successors to any interest of the Lessor under the Lease. The terms of the Lease, including this Addendum, are binding upon, and shall inure to the benefit of Lessor and Lessee and their respective heirs, executors, administrators, successors and assigns.

27. Effective Date. The effective date of the Lease and this Addendum is the latest date upon which the Lease and this Addendum is signed by Lessor and Lessee.

28. Limits of Lease Rights Granted. Notwithstanding anything contrary contained in this Addendum or in the Oil and Gas Lease Agreement, the rights granted to Lessee are limited to drilling for, operation of, producing and removing oil and gas and the constituents thereof from the Clinton Sandstone and Berea Sandstone formations only. All other surface and subsurface property rights are excluded from this Lease and are expressly reserved by Lessor, including all other mineral rights, the right to grant others the right to drill for, mine, operate and remove oil, gas other hydrocarbons and the constituents thereof from any other formations including but not limited to the Marcellus Shale and Devonian Shale formations.

29. Surrender of the Lease. Notwithstanding to the contrary contained in the Oil and Gas Lease Agreement or this Addendum, Lessee may not surrender in whole or any part of the lease while any well heads, drilling casing, tank batteries, pipelines, or other facilities exist on the premises without the express written consent of Lessor. As a condition of granting the consent, Lessor may require Lessee, at Lessee's expense, to remove all oil and gas facilities from the Premises including the well head, drill casings tank battery, meters, pipeline and to plug any well located on the premises and reclaim and restore the surface of the Premises.



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30. Spud Fee. Lessee agrees to pay Lessor the sum of \$8,000.00 as a spud fee for each well drilled on Lessor's property 14 days after the commencement of drilling.

WITNESS:

[Signature]
[Signature]

LESSOR:

[Signature]
Cindy R. Swaggard
[Signature]
Mary K. Sklodowski

LESSEE:

D & L Energy, Inc.

[Signature]

Susan Faith, President
Susan Faith, President

RICHA
410001

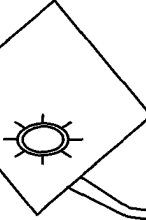
Instr: 201012130050224 12/13/2010
P: 11 of 11 F: \$100.00
Rick Campbell 11:48AM LERS
Stark County Recorder T20100041636

MILLEI

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ELIZABETH BECHER
4100970

SWAGGARD SKLADOWSKI NO.1



FLOWLINE ACCESS ROAD
& UNDERGROUND ELECTRIC